

ALASKA PERMANENT FUND CORPORATION

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE ALASKA
PERMANENT FUND CORPORATION RE-AFFIRMING THE BOARD'S
COMMITMENT TO A CONSTITUTIONAL AMENDMENT ESTABLISHING A
PERCENT OF MARKET VALUE ("POMV") SPENDING LIMIT
METHODOLOGY FOR THE ALASKA PERMANENT FUND**

RESOLUTION 04-09

In December 2000 and again in April 2003, the Board of Trustees ("Board") expressed by resolution its view, as the body with fiduciary responsibility for the management of the Alaska Permanent Fund ("Fund"), that adoption of a constitutional amendment to limit spending from the Fund by use of a "percent of market value" ("POMV") formula was in the long-term best interest of both the Fund and the people of the State of Alaska. In both resolutions (Resolutions 00-13 and 03-05), the Board encouraged the Legislature to consider and approve a POMV amendment that would permit an annual payout from the Fund of no more than five percent of the average market value of the Fund over a prior five year period.

Such a proposal was introduced during the now-concluded 23rd Legislature, but was not approved for presentation to the voters at the upcoming general election. The Board appreciates the support given this POMV proposal by Governor Murkowski and the support by the Legislature.

Despite the failure of the Board's POMV proposal to be placed on the 2004 general election ballot, implementation of a constitutional POMV spending limit for the Fund, with the accompanying benefit of assuring permanent inflation proofing of the Fund, continues to be a high priority policy goal for the Board.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees that the Board reaffirms its commitment to a constitutional amendment that provides for protection of the Fund by application of a POMV payout mechanism.

BE IT FURTHER RESOLVED that the 24th Legislature of the State of Alaska, in consultation with the governor and the Board, is again urged to consider and approve a proposal for a POMV spending limit.

PASSED AND APPROVED by the Board of Trustees of the Alaska Permanent Fund Corporation this 21st day of September, 2004.

*/s/ Carl Brady, Chair
Board of Trustees*

ATTEST:

*/s/ Michael J. Burns
Corporate Secretary*